



NEWS

For Immediate Release: October 8, 2008

Contact: Jeff.Schrade@ngsa.org (202) 326-9300 NGSA.org or NaturalGas.org

Presidential Debate Comment on “Use it or Lose it” Earns Correction from Natural Gas Industry

(Washington, DC) During last night’s second presidential debate, one of the candidates said that the producers of oil and natural gas currently have leases on millions of acres of federal land that they are not using, and that the industry should either “use them or you lose them.”

That comment caught the attention of Natural Gas Supply Association President and CEO R. Skip Horvath, who issued the following statement:

“The Natural Gas Supply Association takes no position on which candidate should be the nation’s next president. Both have expressed support for developing more American natural gas and we appreciate their backing. We do, however, have an obligation to set the record straight when candidates misspeak.

“The fact is, under current federal law, if companies don’t develop their leases in 5-10 years, they revert to the federal government. The company or companies involved do not recover one cent from the hundreds of millions of dollars which may have been invested exploring for natural gas and oil in those leased areas, which sometimes have little or no energy to extract.

“In short, use it or lose it is already the law,” Horvath concluded.

Last year, in FY 2007, the federal government earned \$4.6 billion in natural gas royalties and \$4.4 billion from oil royalties.

####

NGSA represents integrated and independent companies that supply natural gas. Established in 1965, NGSA encourages the use of natural gas within a balanced national energy policy, and promotes the benefits of competitive markets to ensure reliable and efficient transportation and delivery of natural gas and to increase the supply of natural gas to U.S. customers.

Clean Natural Gas:
Smart, Secure and Essential